

## **EXHIBIT 4**

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# Ex-Pioneer CEO Barred From Exxon Board for Megadeal to Close

Antitrust enforcers are set to allege Scott Sheffield discussed coordinating oil-production levels with other producers and OPEC

By [Collin Eaton](#) [Follow](#)

Updated May 1, 2024 8:30 pm ET



The sale of Pioneer Natural Resources could close within days once a consent decree is entered. PHOTO: MICHAEL CIAGLO/BLOOMBERG NEWS

Exxon Mobil **XOM -0.21%** ▼ is set to close its \$60 billion megadeal for Pioneer Natural Resources following an agreement with antitrust enforcers not to add former Pioneer Chief Executive Officer Scott Sheffield to its board of directors, according to people familiar with the matter.

The Federal Trade Commission is set to allege as soon as this week that Sheffield engaged in collusive activity that could have raised the price of oil, these people said. The allegations will include that Sheffield sent hundreds of messages to representatives of the Organization of the Petroleum Exporting Countries about market dynamics, including pricing and production levels.

There is no allegation of any wrongdoing by Exxon, according to the people.

The oil giant will enter into a consent decree with the FTC, agreeing to keep Sheffield off the board, the people said. With the filing of that agreement, the deal between Exxon and Pioneer could close within days.

Sheffield declined to comment.



Scott Sheffield, former CEO of Pioneer Natural Resources PHOTO: AARON M. SPRECHER/BLOOMBERG NEWS

Exxon agreed in October to buy Pioneer for \$60 billion in stock, marking its biggest deal since it merged with Mobil in the late 1990s and the largest oil-and-gas deal in two decades. The oil giant is set to acquire Pioneer's swath of prolific oil land in the Midland Basin of West Texas, where the smaller shale driller has operated for decades.

In December, the companies disclosed the FTC had sought additional information from them about the deal, a step the agency takes when reviewing whether a merger could be anticompetitive under U.S. law.

Exxon and Pioneer together submitted millions of documents for the antitrust probe, said people familiar with the matter.

The antitrust enforcers will allege Sheffield attempted to coordinate an anticompetitive campaign to curtail output by American frackers, which could have raised oil prices and thus benefited Pioneer, the people said.

For years, investors urged frackers to stop overspending on drilling new wells and pumping ever-increasing amounts of crude, and instead to keep production largely flat, which would increase cash flows and enable higher returns to shareholders. It took years—and a crippling pandemic—for shale producers to agree.



Exxon agreed in October to a \$60 billion deal. PHOTO: MICHAEL M. SANTIAGO/GETTY IMAGES

U.S. frackers fiercely competed for years with OPEC for market share. At a 2017 dinner in Houston, shale executives sat down for a first-of-its-kind dinner with Mohammad Barkindo, then the secretary-general of OPEC. Sheffield attended the dinner, during which Barkindo discussed OPEC negotiations on cutting oil output, among other topics.

“They’re trying to find out more about U.S. shale, and we’re trying to find out what OPEC is thinking,” Sheffield said at the time.

After the onset of the pandemic in 2020, a historic drop in oil demand prompted U.S. producers to dramatically cut their drilling rigs, shut in wells and slow production growth. They stuck with capital discipline for years, with Pioneer and other large shale companies vowing more conservative spending and to send more cash to shareholders.

Pioneer and many other oil producers reaped billions more in cash flow in the years that followed, and distributed much of that to investors. Energy prices jumped in 2022 following Russia’s invasion of Ukraine.

After years of rapid drilling, limitations on shale companies' inventory of potential drilling locations have also prevented them from speeding up oil-production growth to earlier high levels, The Wall Street Journal has reported. Executives and investment bankers cited inventory concerns as a key driver behind a wave of mergers and acquisitions that began last year.

Sheffield started working for Pioneer's predecessor company, Parker & Parsley Petroleum, in 1979. That company merged with another in 1997 to form Pioneer. Sheffield retired in 2016 but returned to the job in 2019. He retired for a second time after the sale of Pioneer to Exxon was proposed.

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### **Corrections & Amplifications**

Scott Sheffield is the former CEO of Pioneer Natural Resources. An earlier version of this article incorrectly identified him as the CEO. (Corrected on May 1)

*Appeared in the May 2, 2024, print edition as 'FTC, Exxon Clear Way for Megadeal'.*

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